

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF AN APPLICATION BY BILL	)	CAUSE NO. 407
BARRETT CORPORATION FOR AN ORDER TO	)	
ESTABLISH AN APPROXIMATE 640-ACRE	)	DOCKET NO. <i>To be assigned</i>
DRILLING AND SPACING UNITS FOR SECTION 36,	)	
TOWNSHIP 1 SOUTH, RANGE 66 WEST, 6 TH P.M.,	)	
FOR HORIZONTAL WELL DEVELOPMENT OF THE	)	
CODELL AND NIOBRARA FORMATIONS,	)	
WATTENBERG FIELD, ADAMS COUNTY,	)	
COLORADO	)	

APPLICATION

Bill Barrett Corporation ("BBC" or "Applicant"), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order: (1) vacating the approximate 80-acre drilling and spacing units, established under Order No. 407-87, for Section 36, Township 1 South, Range 66 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; (2) establishing an approximate 640-acre drilling and spacing unit for said Section 34, and authorizing the drilling of up to sixteen (16) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and (3) establishing an approximate 640-acre drilling and spacing unit for said Section 34, and authorizing the drilling of up to four (4) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
2. Applicant owns majority leasehold interests in the below-listed lands:

Township 1 South, Range 66 West, 6th P.M.
Section 34: All

These lands are hereinafter referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

Vacating existing 80-acre drilling units for the Codell and Niobrara Formations underlying the Application Lands

3. On or about February 19, 1992, the Commission entered Order No. 407-87 (which was amended on August 23, 1993) which, among other things, established 80-acre drilling and spacing units for certain lands, including the Application Lands, with permitted well locations in accordance with the provisions of Order No. 407-1, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

4. On April 27, 1998, the Commission adopted Rule 318A. which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A. was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A. was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to this rule for the Codell and Niobrara Formations.

5. COGCC records indicate there are presently no wells permitted for, or being produced from, either the Codell or Niobrara Formations in the Application Lands.

Establishment of a 640-acre Drilling Unit for Horizontal Well Development of the Niobrara Formation

6. Applicant requests the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Niobrara Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Niobrara Formation.

7. Applicant requests it be authorized to drill and complete up to sixteen (16) horizontal wells in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

8. Applicant states that any horizontal wells to be drilled under this Application will be drilled from two multi-well pads on the surface of the drilling unit in accordance with Rule 318A(I).a., or on adjacent lands with consent of the landowner, without exception being granted by the Director.

9. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the outer boundary of the proposed drilling unit and not less than 150 feet from the treated interval of any well being drilled or producing from the Niobrara Formation, without exception being granted by the Director.

Establishment of a 640-acre Drilling Unit for Horizontal Well Development of the Codell Formation

10. Applicant requests the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Codell Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the

horizontal wells proposed to be drilled under this Application and completed in the Codell Formation.

11. Applicant requests it be authorized to drill and complete up to four (4) horizontal wells in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

12. Applicant states that any horizontal wells to be drilled under this Application will be drilled from two multi-well pads on the surface of the drilling unit in accordance with Rule 318A(I).a., or on adjacent lands with consent of the landowner, without exception being granted by the Director.

13. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the outer boundary of the proposed drilling unit and not less than 150 feet from any other well or treated interval of any well being drilled or producing from the Codell Formation, without exception being granted by the Director.

* * *

14. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

15. That the names and addresses of the interested parties (owners within the proposed drilling unit) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order:

A. Vacating the approximate 80-acre drilling and spacing units, established under Order No. 407-87, for Section 36, Township 1 South, Range 66 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

B. Establishing an approximate 640-acre drilling and spacing unit for Section 36, Township 1 South, Range 66 West, 6th P.M., and authorizing the drilling of up to sixteen (16) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit and not less than 150 feet from the treated interval of any well being drilled or producing from the Niobrara Formation, without exception being granted by the Director.

C. Establishing an approximate 640-acre drilling and spacing unit for Section 36, Township 1 South, Range 66 West, 6th P.M., and authorizing the drilling of up to four (4)

horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit and not less than 150 feet from the treated interval of any well being drilled or producing from the Codell Formation, without exception being granted by the Director.

D. Requiring that any permitted wells to be drilled under this Application should be drilled from two multi-well pads in accordance with Rule 318A(I).a., without exception being granted by the Director.

E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this _____ day of April, 2013.

Respectfully submitted,

BILL BARRETT CORPORATION

By: _____
Robert A. Willis (Colorado Bar No. 26308)
Burleson LLP
Wells Fargo Center
1700 Lincoln Street, Suite 1300
Denver, CO 80203
(303) 801-3200

Applicant's Address:
Bill Barrett Corporation
Brian Wert, Senior Landman
1099 18th Street, Suite 2300
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Brian Wert, Senior Landman for Bill Barrett Corporation, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

BILL BARRETT CORPORATION

Brian Wert

Subscribed and sworn to before me this _____ day of April, 2013, by Brian Wert,
Senior Landman for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: _____

Notary Public

Application Lands - 

Sec. 36, T1S, R66W
Adams County

Exhibit A
Application Map

13	18	17	16	15	14	13	18	17
24	19	20	T1S 21 R66W	22	23	24	19	20
25	30	29	28	27	26	25	30	29
36	31	32	33	34	35	36	31	32
1	6	5	4	3	2	1	6	5
12	7	8	T2S 9 R66W	10	11	12	7	8
13	18	17	16	15	14	13	18	17

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 36, Township 1 South, Range 66 West, 6th P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, CO 80202

Robert A. Willis
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Energy Liaison
Colorado Parks & Wildlife
6060 Broadway
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Kent Kuster
Colorado Department of Public Health and
Environment
4300 Cherry Creek Drive South
Denver, CO 80246

Gordon Stevens
Adams County LGD
4430 South Adams County Parkway
Brighton, CO 80601-8218

Colorado State Land Board
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